

HOUSE BILL NO. 1031

Introduced by

Legislative Management

(Government Finance Committee)

1 A BILL for an Act to create and enact a new section to chapter 54-35 of the North Dakota
2 Century Code, relating to legislative management studies of state agency fees; to provide for a
3 legislative management study relating to establishing new state agency fees; and to declare an
4 emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 54-35 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Legislative interim committee review of state agency fees.**

9 1. ~~During each interim, the~~ The legislative management shall assign to one or more
10 interim committees a study of selected state agency fees as provided in this section.
11 ~~The legislative management shall assign the studies in a manner that provides for the~~
12 ~~review of each state agency fee at least once every ten years~~

13 a. By July 1, 2022, each state agency that is authorized to impose forty fees or
14 fewer shall submit a report to the office of management and budget including:

- 15 (1) The amount of each fee;
16 (2) When the fee was implemented;
17 (3) Why the fee is set at the specific dollar amount;
18 (4) Where the fee is deposited; and
19 (5) Whether the fee is critical for the budget of the agency.

20 b. By July 1, 2024, each state agency that is authorized to impose more than forty
21 fees shall submit a report to the legislative management including:

- 22 (1) The amount of each fee;
23 (2) When the fee was implemented;
24 (3) Why the fee is set at the specific dollar amount;

1 (4) Where the fee is deposited; and

2 (5) Whether the fee is critical for the budget of the agency.

3 c. By September first in the year the reports are received, the office of management
4 and budget shall compile all of the reports into a single report and provide the
5 report to the legislative management.

6 2. a. An interim committee assigned a fee study shall request the appropriate state-
7 agency to prepare an analysis of and provide a recommendation for each
8 selected state agency fee.

9 b. In addition to the report required under subsection 1, each state agency shall
10 provide an analysis of each fee. The analysis must include:

11 (1)a. A comparison of revenue generated by the fee to the cost incurred to
12 provide the services associated with the fee;

13 (2)b. The history of the fee, including when it was created and any subsequent
14 changes;

15 (3)c. The appropriateness of the fee amount and the affordability of the fee to
16 the public; and

17 (4)d. The appropriateness of using other government revenues to pay a portion
18 of services associated with the fee and the effect of the use of other revenues.

19 c. The recommendation must identify whether the fee should remain unchanged or
20 be eliminated, increased, decreased, or otherwise modified, and the rationale for
21 the recommendation.

22 3. An interim committee assigned a fee study shall:

23 a. Consider, as part of the study:

24 (1) Whether revenue from the fee should cover the entire cost of the services
25 associated with the fee or whether the cost of the services should be
26 subsidized by another revenue source;

27 (2) The appropriateness of the fee amount; and

28 (3) The appropriateness of the use of the fee revenue.

29 b. Make a recommendation regarding the fee which identifies whether the fee
30 should remain unchanged or be eliminated, increased, decreased, or otherwise
31 modified and the rationale for the recommendation.

e.b. Report its findings and recommendations to the legislative management. As part of its recommendations, the committee shall identify potential state agency fees to be reviewed during the subsequent interim.

4. Any state agency authorized by the legislative assembly to impose a fee shall provide data, analysis, and other information as requested by the interim committee conducting a study under this section.

5. Fees to be examined under this section include those deposited in the general fund or the agency operating budget. Fees to be examined do not include fees for service.

6. If a state agency is unable to meet the deadline imposed under subsection 1, the state agency may appeal to the legislative management for an extension.

7. Notwithstanding any other provision of law, state agencies may not establish any new fees under chapter 28-32 unless the fee was approved by the legislative assembly, the budget section, or the emergency commission.

8. By July first of each even-numbered year, each agency that has fees shall provide a report to the legislative management indicating whether any fees were added, deleted, or changed during the course of the biennium.

SECTION 2. LEGISLATIVE MANAGEMENT STUDY. During the 2021-22 interim, the legislative management shall consider studying the creation of a general fee policy relating to how state agencies' fees should be established for new programs and a continued review of existing fees. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations to the sixty-eighth legislative assembly.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.